From conspicuous to considered fashion: A harm-chain approach to the responsibilities of luxury-fashion businesses

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From conspicuous to considered fashion: A harm chain approach to the responsibilities of luxury fashion businesses

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Abstract
Throughout the marketing literature, little attention has been paid to the responsibilities of luxury fashion businesses. Harnessing Polonsky et al.’s (2003) ‘harm chain’, the extended ‘harm chain’ (Previte & Fry, 2006) and the theoretical lens of institutional theory, this conceptual paper explores a systematic way to examine the potential for value co-creation, the harmful outcomes linked to luxury fashion marketing activities, and how those harms might be addressed. Our analysis identifies a number of harms occurring throughout the luxury fashion supply chain. The paper concludes by urging luxury fashion businesses to sustain their success through ‘deep’ CSR, adding voice to the developing conversation that seeks to change the scope of the critique of marketing practice beyond the economic and competitive advantages that CSR delivers.

Summary statement of contribution
The supply chain literature has largely ignored the omnipresent influence of the institutional environment. Therefore, our theoretical extension of the ‘harm chain’ to incorporate the institutional forces that cause harm has enabled us to redress the knowledge gap regarding the analysis of negative and positive value creation, broaden the debate around CSR by reconfiguring research into fashion businesses and considering CSR in the context of luxury fashion brands.

Keywords  Harm chain; value co-creation; institutional theory; luxury fashion; corporate social responsibility
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Introduction

Luxury fashion businesses enjoy high profiles worldwide and have a reputation as leaders in the fashion marketing industry through their excellence in quality and design. However, despite being at the cutting edge in areas such as creativity and merchandising, critics suggest that luxury fashion businesses are laggards when it comes to conducting their activities in a socially and environmentally responsible manner (Charles, 2010; Nair, 2008; Siegle, 2009). Maon, Lindgreen and Swaen (2009, p.71) emphasise the dangers of ignoring social responsibility pressures and that corporate social responsibility (CSR) has now moved from a position of ideology to reality, thus representing ‘an important dimension of contemporary business practices’.

Luxury fashion businesses deliver products and brands whose ownership communicates a social relevance for consumers that satisfies both material and symbolic needs (Brun et al., 2008; Danziger, 2005). Mass market fashion is characterised by low costs, global operations and numerous customers, while traditionally luxury fashion provided geographically centralised, exclusive, expensive products to an elitist consumer segment (Djelic & Ainamo, 1999). Today ‘luxury for the masses’ (Silverstein & Fiske, 2003) is delivered through a broader consumer base, but the distinct characteristics of heritage, premium quality, design, exclusivity and aesthetic value remain (Djelic & Ainamo, 1999; Brun et al., 2008). With a potentially significant role to play in moving fashion towards a more responsible future, there is a compelling business case for the international luxury fashion industry to embrace responsible values in their sourcing, manufacture and distribution of products and services (Laudal, 2010), targeting those consumers that form ‘part of an affluent, global elite that is increasingly well-educated and concerned about social and environmental issues’ (Bendell & Kleanthous, 2007, p.1; Reuters, 2009; The Cooperative Bank, 2010). Furthermore, a growing expectancy for all companies to become socially committed in areas that are neither related to their
business or the economic efficiency of their supply chains (Matten & Crane, 2005) is forging a new role for the business firm as ‘a political actor in a globalizing society’ (Scherer & Palazzo, 2007, p.1096; Young, 2004). The traditional instrumental interpretation of corporate responsibility that fits into economic theory is being challenged, with an acknowledgement that less powerful stakeholders, those who cannot invoke potential sanctions for companies through the market or state, should also have their interests considered (Phillips, 2003; Scherer & Palazzo, 2007).

The push for more ethical standards within the luxury fashion industry may have some way to go to achieve proper traction within the industry. However, it is being embraced by a small, but growing group of couture fashion designers, retailers, NGOs and governments across the world, a further reason why the luxury fashion industry warrants attention. One driver for this is the Ethical Trade Initiative (ETI), set up in the UK in 1997, with the aim of delivering best practice for ethical trade across the clothing industry. To date, over 70 companies have signed up, representing a network of over 35,000 suppliers employing over 9.8 million workers around the world (Ethical Trading Initiative, 2011). Another is the Ethical Fashion Forum (http://www.ethicalfashionforum.com), a progressive NGO founded in 2005 by a small group of fashion designers to provide a platform for communicating best practice, resources and links across the fashion industry to encourage more sustainable fashion. The 2009 London Fashion Week launch of Estethica (http://www.londonfashionweek.co.uk/estethica) was a showcase of ethical fashion designer labels aimed at raising the profile of eco-fashion as cutting-edge. A joint venture between designers and government, Estethica allowed the UK Department for the Environment, Food & Rural Affairs (Defra) to capitalise upon the luxury fashion event to launch the Sustainable Clothing Action Plan (SCAP), aimed at reducing the environmental and social impact of disposable fashion, by cutting down the tons of clothing sent to landfill each year (Defra, 2010; Fox, 2009). As well as these broad industry initiatives, more recently, the British Fashion Council dedicated a session in London Fashion Week 2010 to host a sustainable catwalk show, giving ethical fashion equal
status to international designers such as Burberry (Fox, 2010). Featuring established luxury brands such as Vivienne Westwood, alongside newer labels such as Junky Styling, and held in partnership with START, The Prince’s Charities Foundation to promote sustainable living, the show demonstrated how some designers (luxury and mass market fashion) are incorporating this philosophy into their design process. Such initiatives seek to show that fashion and style can be coupled with ethical supply chain and retail practices (Fox, 2009). However, due to the diverse nature of such groups, a lack of co-ordinated efforts and the subsequent ‘nudge’ type government appeals, the efforts of many of the aforementioned groups to date have not as yet convinced the majority of luxury fashion brand owners to embrace their social responsibilities.

Affluent consumers and luxury purchases have been a subject of study since Veblen (1912), and although the marketing literature has seen a steady increase in the study of fashion brands (Wiedmann, Hennigs, & Siebels, 2009), and social responsibility within the fashion industry (McRobbie, 1997; Shaw, Hogg, Wilson, Shi, & Hassan, 2006), surprisingly little attention has been paid to the development of a systematic analysis of the potential negative outcomes from marketing activities associated with luxury fashion businesses. Moreover, most business sector studies adopt a managerial outlook at the expense of ignoring the consumer perspective (see Tynan, McKechnie, & Chhuon, 2010). Therefore, this paper seeks to explore the potential for value co-creation as well as harmful outcomes linked to luxury fashion marketing activities, and suggests how these harms may be addressed. In so doing, this paper intends to redress the knowledge gap in relation to the analysis of negative and positive value co-creation, broaden the debate around CSR by reconfiguring research into luxury fashion products and considering CSR in the context of the marketing of luxury fashion brands, including both clothing and accessories. The theoretical frameworks of Polonsky, Carlson and Fry’s (2003) ‘harm chain’ and the extended ‘harm chain’ analysis later developed by Previte and Fry (2006) are adopted as analytical tools to help fulfil these objectives.
The paper begins by presenting an overview of both theoretical frameworks. They are adopted here as they enable the systematic identification of the harms caused within an industry throughout its value chain, and through its exchange networks composed of various stakeholder groups. However, despite their strengths, the ‘harm chain’ frameworks fail to allow for a broader explanation of why such harms occur. Thus, it is proposed that the ‘harm chain’ be enhanced by a further dimension, namely ‘institutional forces causing harm’. This dimension is based on institutional theory (DiMaggio & Powell, 1983; Kostova, Roth, & Dacin, 2008), and enables the analysis of why harms occur by examining the forces that impinge on luxury fashion businesses and the constraints and enabling mechanisms impacting any move toward positive change. Next, an overview of the luxury fashion industry, the businesses and their customers is provided to help inform our conceptual exploration of ‘harms’. This is followed by identification of the negative ‘harms’ identified within the supply chain, customer base and the luxury fashion marketplace as a whole, alongside the ‘institutional forces causing harm’. Using a few pioneering and topical examples for the sake of succinctness, the paper then discusses the potential ways in which luxury fashion businesses may convert such harms, and the forces causing harm, into positive contributions in terms of more sustainable use of human and environmental resources and by making connections with traditional fashion manufacturing communities. Finally, the paper concludes by arguing for luxury fashion businesses to sustain their success through ‘deep’ CSR and change the scope of the critique of marketing practice beyond the economic and competitive advantages that CSR delivers.

**Extending stakeholder value via the ‘harm chain’**

Porter’s (1985) value chain has been widely used by marketers to conceptualise the positive value created by a firm for its customers and, through complex exchanges, for a range of organisational stakeholders. Polonsky et al. (2003, p.346) argue, however, that these exchanges may also result in the generation of harm and, therefore, propose the concept of the ‘harm chain’, which permits ‘firms
and public policymakers to consider fully all who are harmed, as well as those who can address harm throughout the ‘harm chain’. Although the theoretical emphasis of the ‘harm chain’ and harm-reduction literature has primarily focused on policy measures such as food safety (e.g. van Heerde, Helsen, & Dekimpe, 2007; Roller, Pippins, & Ngai, 2009), alcohol (e.g. Previte & Fry, 2006) and tobacco (e.g. Phillips & Heavner, 2009; Taylor & Capella, 2008), it is acknowledged that the ever-increasing power and capabilities of multinational companies in other industries have somewhat weakened national governments’ ability to guide and limit the ‘harmful’ magnitude of transnational business activity (MacDonald, 2010; Scherer & Palazzo, 2007). These changing conditions of corporate legitimacy have led some to suggest a greater role for marketing in the CSR debate; while often criticised as a potential source of global, social and environmental problems, marketing can also act as a potential source of solutions to those problems (Smith, Palazzo, & Bhattacharya, 2010; Palazzo & Richter, 2005).

Carrigan (1995) previously identified the complexity of evaluating the harmful impact of marketing activities, and the dangers of considering negative consequences within a limited, dyadic exchange (i.e. consumer-firm). Those activities, while not detrimental within that specific exchange, may cause harm to others further down the exchange network (Fry & Polonsky, 2004a). As firms are largely held responsible for the entirety of their supply chain, Palazzo (2010) substantiates the need to examine the consequences of a firm’s actions as the emphasis is no longer just on ‘doing good’ but also on ‘doing no harm’ (see also Isaksson, Johansson & Fischer, 2010).

The harm chain framework proposes that firms should seek to systematically identify and track harms by analysing four stages within the marketing exchange where harm may occur: pre-production, production, consumption, and post-consumption. Within these stages there are often complex interactions between stakeholders. Thus, a methodology suggested by Polonsky et al. (2003) is to categorise stakeholders within them according to those who cause harm, those who are harmed, and those who can assist in addressing the harm. Indeed, such stakeholders can be identified by carrying out a stakeholder audit and mapping the interconnections amongst stakeholders using Polonsky et al.’s
(2003) three categories outlined above. By identifying those players and the consequences of their actions within the ‘harm chain’, they suggest it is possible to manage relationships within the exchange networks to create strategic advantage by generating positive organisational value. This recognises that while organisations may have limited ability to manage powerful stakeholders (Polonsky, Suchard, & Scott, 1999), they may be able to manage the way in which they interact with those key stakeholder groups.

As social audits and stakeholder analysis tools often do not go far enough, Polonsky et al. (2003) also suggest that the ‘harm chain’ can help pinpoint where any intended and/or unintended impacts may occur, by equally considering all exchange partners. These often unintentional harms or ‘moral externalities’ (Gowri, 2004), as they are defined, have received only limited attention within the marketing literature (cf. Desmond & Crane, 2004; Fry & Polonsky, 2004b). Part of the problem is that marketing research tends to adopt an organisational perspective to evaluate ‘positive’ externalities such as the benefits associated with CSR and the firm (McWilliams, Siegel, & Wright, 2006). More recently, Smith et al., (2010, p.619) have argued that ‘the adverse effects that might accompany value creation in marketing have been largely ignored by most marketing scholars and practitioners’, who choose instead to focus on the overall positive effects of corporate activities on consumers and other stakeholders. However, Fry and Polonsky (2004a, p.1209) identify that while typically firms engage in marketing activities with outcomes beneficial to both the firm and its stakeholders, an increasing number of situations occur where successful marketing activities impact on society in an ‘unanticipated negative manner’. Indeed, luxury fashion brands may deliver more value via their appearance than their functionality (Hilton, Chong & Chen, 2004). For example, they bring experiential, psychological and symbolic benefits to many consumers derived from owning an item that bestows upon those individual feelings of pleasure, luxuriance or indulgence (Atwal & Williams, 2009). Luxury fashion brands are positioned and advertised to induce consumer aspiration and desire. That they may also invite greed, envy and a sense of inferiority in those who desire but cannot possess them may (Fry & Polonsky,
or may not (Brown, 2001) be unintended, but is undesirable and also unsurprising. Through a traditional stakeholder approach, the ‘harm chain’ concept expands the way in which harm arising from direct exchanges as well as indirect “externalities” is considered (Polonsky et al., 2003, p.347). The ‘harm chain’ includes those who are involved in the network of exchanges associated with harm, how those stakeholders interact, stakeholder expectations, whether a gap exists between expectations and network performance, and how gaps might be addressed, including the effectiveness of the interventions taken. This approach allows crucial direct and indirect negative consequences of network exchanges to be identified and aggregated across social issues, while achieving a more inclusive account of relevant stakeholders.

More recently, however, the marketing literature has characterised a transition whereby the customer is located on the same level as businesses, thus allowing for ‘the continuous nature of relationships among marketing actors’ to flourish (Sheth & Parvatiyar, 2000, p.140). Vargo and Lusch’s Service-Dominant Logic (2004; Lusch & Vargo, 2006) argues further that value is created through use so that when consumers ‘use’ a product, they become an operant resource (i.e. a co-producer) as opposed to an operand resource (i.e. target) and therefore are inherently involved in the co-creation of value. Building on Vargo and Lusch (2004), Peñaloza and Venkatesh (2006, p.304) propose value creation to incorporate both meanings and values in exchange and use, thus viewing the market ‘as comprised of the value and meanings co-produced by marketers and consumers’. While these theoretical developments have been somewhat influential, they have not yet ‘reached total mainstream acceptance’ (Williams & Aitken, 2011, p.440). This theory could, in fact, enable our study to fully encapsulate the symbolic aspects of the luxury fashion industry. Consequently, a key criticism of Polonsky et al.’s (2003) ‘harm chain’ is that it ignores the relational perspective and the fact that negative value can be co-created by the stakeholders implicated in the harmful value chain. For example, the rise of the throwaway clothing culture is a core negative value that is co-created by the promotion of excessive consumption by luxury fashion businesses. Following these discussions of
Service Dominant Logic theory, Previte and Fry (2006) build on Polonsky’s ‘harm chain’ framework by incorporating areas of co-created value. By making the relationship between (co)production and consumption more transparent and taking a broad, holistic approach to the possible harms that may arise, it is argued that more comprehensive solutions from policymakers, corporate firms and consumers can be developed (Polonsky et al., 2003; Previte & Fry, 2006).

Despite the strengths of Polonsky et al.’s (2003) and Previte and Fry’s (2006) ‘harm chain’ frameworks, they still neglect a broader explanation of why such harms occur. Thus, there is a need to further enhance the framework by extending it through an additional dimension, namely ‘institutional forces causing harm’. It is suggested that this dimension may be best captured via the lens of institutional theory, as it ‘provides a rich theoretical foundation for examining a wide range of critical issues and also allows for theorizing at multiple levels of analysis’ (Kostova et al., 2008, p.994). Although it has been used to ‘explain both the persistence and the homogeneity of phenomena,’ Dacin, Goodstein and Scott (2002, p.45) advocate that institutional theory can also explain individual and organisational action; it can help to explain that ‘institutions serve both to powerfully drive change and to shape the nature of change across levels and contexts’, while also themselves changing ‘in character and potency over time’. According to these authors, institutional theory enables the explanation of the primary drivers of institutional change (that is, deinstitutionalisation of existing practices and norms, through the weakening and disappearance of sets of beliefs due to functional, political and social pressures). DiMaggio and Powell (1983) identify three isomorphic forces by which institutional changes occur, namely coercive, mimetic and normative. Coercive isomorphism occurs as a result of pressure from political influences and customers. Mimetic isomorphism relates to practices of benchmarking and subsequent imitation of competitor activities. Normative isomorphism is associated with normative pressures from organisations who attempt to monitor and control aspects of production from producers. On recognising the omission of internal institutional forces (see Zsidisin, Melnyk & Ragatz, 2005), Grewal and Dharwadkar (2002) suggest an updated framework relating to the drivers of
institutional change. Similar to DiMaggio and Powell’s (1983) coercive isomorphism is Grewal and Dharwadkar’s (2002) institutional process of ‘regulating’, in that it refers to achieving stability, order and social welfare. The second institutional process proposed by the authors is ‘validating’ and involves establishing legitimacy via interactions with trade associations. Zsidisin et al. (2005) suggest that ‘validating’ encompasses both mimetic and normative isomorphism originally established by DiMaggio and Powell (1983). The third institutional process refers to ‘habitualising’ and consists of business activities becoming habitualised either via cultural norms and/or shared corporate beliefs. These factors characterise the institutional change process, including deinstitutionalisation and the emergence of new institutional forms, which are interpreted, given meaning to, responded to, and enacted by institutional actors; which go through a process of theorisation and legitimisation by new or existing actors; and which in turn diffuse through an institution or across several institutions within a particular field, as flaws are identified in the old norms and as new norms take on a greater level of legitimacy (Dacin et al., 2002).

In this way, institutional theory enables us to explain not only the institutional forces causing harms within the luxury fashion industry, but also how the same forces can enable positive change; it explains the drivers, processes as well as the actions that can cause, but also address, harm. As suggested by Dacin et al. (2002, p.48), ‘institutional change can proceed from the most micro interpersonal and suborganizational levels to the most macro societal and global levels’; it can take place quickly or over extended periods of time (e.g., decades or centuries), and abruptly or incrementally. As we incorporate institutional theory within our proposed ‘harm chain’ framework, suggestions on how luxury fashion businesses can capitalise on current institutional forces to trigger change are addressed in the discussion and conclusions section of this paper.

This paper now presents an overview of the luxury fashion industry, followed by an exploration of the ‘harm’ co-created throughout the luxury fashion supply chain, and therein also provides a commercial context (as opposed to a policy focus) to assess the theoretical capacity of the extended
'harm chain’ framework as a systematic tool to help co-create value. Following Previte and Fry (2006), when discussing the fashion value chain we propose that there are two parallel value chains – negative and positive. The positive value chains refer to behaviours that are accepted in society, most notably Western developed countries. Primarily business and management research has focused upon the long term profitability and competitive advantages associated with a CSR agenda, listed by Yu (2008) as including enhanced brand value and reputation, closer customer links, higher employee morale, improved productivity, better government and community relationships, as well as improved crisis management. Given that the marketing literature typically considers the creation of value through positive value chain analyses, the ‘harm chain’ characteristically addresses the negative value chain, which refers to the intended or unintended consequences and abuses of the industry, for example, forced labour, child labour, environmental degradation, toxic work environments, and human rights violations. However, following Previte and Fry (2006) we propose that the luxury fashion value chain should involve consideration of both positive and negative value chains, alongside the institutional forces that impact value; thus, the extended ‘harm chain’ developed here should be used to complement the value chain model when organisations carry out value creation assessments. To this end we seek to contribute to the developing conversation that seeks to ‘open new frontlines’ and change the scope of the critique of marketing practice beyond the economic and competitive advantages that CSR delivers (Smith et al. 2010, p.619). This requires acknowledgement that responding to social and environmental concerns requires more than ‘impression management’, and instead calls for a step change in marketing and procurement policies (Smith et al., 2010, p.626) that require broad institutional change.

The luxury fashion industry

For many years the global luxury fashion industry has proven dynamic and substantial, estimated at a value of €200 billion in 2010 (Bellaiche, Mei-Pochtler & Hanisch, 2010). In a recent
listing of the world’s most powerful brands, Louis Vuitton came top in the luxury category with a brand value of US$19.4 billion, followed by Hermes at $7.86 billion, Gucci at $7.47 billion, and Chanel at $6.22 billion, with evidence suggesting that firms producing luxury fashion brands have been less vulnerable to the economic crisis than their mid-market counterparts (Millward Brown, 2009). The luxury fashion market is populated by ‘high net-worth’ consumers: well-travelled, cosmopolitan individuals who use luxury products as a conspicuous code that signifies wealth and success (Chadha & Husband, 2006). As Wiedmann et al. (2009) note, luxury – and by extension luxury fashion – is regarded as a common denominator that can be used to define consumption across cultures (Bourdieu, 1984). Given the luxury sectors’ growth and influence on the purchasing behaviour of mainstream consumers, most empirical research has examined underpinning motivations for purchasing luxury fashion goods (Phau & Prendergast, 2000; Vigneron & Johnson, 1999). In fact, much research has focused on the luxury product market, and Wiedmann et al. (2009) suggest that the major objective of research into luxury marketing until now has been to identify and profile consumer segments (e.g. Dixon, 2005), understand the reasons why people buy luxury goods (including fashion), what they believe luxury to be, and how their perceptions of luxury impact upon their buying behaviour. Also, attention has focused on aspects such as the development of international fashion brands (e.g. Moore & Birtwistle, 2005), fashion brand extensions (e.g. Chen & Liu, 2004), fashion brands as ‘passports’ to global citizenship (Strizhakova, Coulter, & Price, 2008), and cross-cultural attitudes toward luxury and fashion (e.g. Chadha & Husband, 2006). In developing markets, global fashion brands are the ‘main sources of consumption related identity meanings’ (Strizhakova et al., 2008, p.60), regarded as an ‘important, hegemonic communicative form for creating and conveying meaning and identity’, thus, much research has also focused on this area. It is only recently, and only to a limited extent that the concept of social responsibility has been addressed in the context of consumer consumption of luxury fashion brands (Bendell & Kleanthous, 2007; Perry & Towers, 2009). Thus, there still remains a considerable gap in
our knowledge and understanding of this area that demands attention, and to which this paper is responding.

Consumption and identity: From conspicuous to considered luxury fashion consumption

That the impact that ownership and display of luxury fashion brands confers upon consumers holds salience as motivation for purchase is unsurprising. The literature has attempted to explain luxury fashion in terms of its symbolic function (Fionda & Moore, 2009; Mandel, Petrova & Cialdini, 2006), its currency in aspirational terms as a status symbol, its exclusivity, and as a highly involved consumption experience linked to individual self-concept (Vigneron & Johnson, 1999). Most definitions highlight that luxury goods and fashion are non-essential, but nonetheless deliver desirability and indulgence to the owner. Phau and Prendergast (2000) suggest focal luxury fashion attributes to be brand identity, quality, exclusivity and customer awareness, but these are not sufficiently exhaustive or unique to identify luxury brands (Beverland, 2004). While other characteristics and models have been presented (Okonkwo, 2007; Park, Rabolt & Jeon, 2008), Wiedmann et al.’s (2009) model, drawing on Bourdieu’s capital theory (1984), captures critical dimensions that add luxury value in the consumer’s mind, and highlights that consumption of prestige and status products such as fashion represents more than just the desire for individuals to impress others by displaying their success and distinction.

Indeed, De Beers (2008, p.7) argues that a transition from conspicuous to considered consumption is underway within some luxury fashion consumer segments, from ‘what you wear’ to ‘who you are,’ and this is giving rise to growing global consumer demands for ‘product traceability, supply chain standards, product authenticity and quality’. There are also market indicators that some wealthy consumers are becoming more practical in their fashion purchases, rethinking and re-prioritising their consumption to be less ostentatious, more sensitive, and to help others not just themselves as well as the environment (Bellaiche et al., 2010; Bendell & Kleanthous, 2007; Reuters, 2009). This point has also been highlighted by several pro-environmental consumer researchers and social marketers.
(McKenzie-Mohr, 1999; Moraes, Carrigan, & Szmigin, in press; Verplanken & Wood, 2006), who suggest increased awareness of pro-social and pro-environmental behaviours within groups of middle-class and affluent consumers (see The Co-operative Bank, 2010), and who view consumption not as an individual, selfish endeavour, but as a social activity playing important roles such as meaning creation, hedonism, identity formation, social distinction and identification, which are impacted by incentive structures created by general economic and institutional environments (Fell, Austin, Kivinen, & Wilkins, 2009; Jackson, 2005).

Bauman’s (1997) work may provide further insights into the possibility of a transition from conspicuous to considerate luxury fashion consumption. Bauman (1997) suggests that ours is an era full of contradictions and discontents based on the constant co-existence, struggle and trade-offs implicit in the relationship between residual modernity and postmodernity, and what this may mean to us as consumers. He argues that culture, much like the market, becomes a site, a playing field for an offer-and-demand game: ‘the site is travelled by signs-in-search-of-meanings and sign-searching-meanings’ (Bauman, 1997, p.137), so that it is only through consumption that they achieve their signifying potential as cultural symbols. But, argues Bauman (1997), the paradox of this signifying freedom is that as soon as one meaning is prioritised over another this freedom ceases to exist, given that the signifying freedom depends precisely on the plurality of possibilities to come into being. Once we choose a possibility over another, we annul this plurality of possibilities and freedom, and happiness remains unfulfilled. Under this view, what is interesting about consumer culture and its consumerist ways is not consumption as such, but the disconnection between consumption and its instrumentality (needs), and the pursuit of consumption for its own sake; for the pleasures it can engender through constant desires and wants (Bauman, 2002), for which luxury fashion can cater very well. Bauman (2002) suggests that it is a kind of human predicament to keep those tensions in motion, and this is done through the constant maintenance of desires, i.e., the point is constantly having desires (the journey), not satisfying those desires. In line with the consumption literature reviewed above, Bauman
(1997; 2002; 2004) also views consumption as socially-constructed, and as something that has historically evolved from a private, needs-oriented activity to a socially-construed, desire-sustaining activity. Therefore, given the influential position of those who consume luxury fashion, if they embrace socially-responsible fashion brands, environmental signifiers have the potential to influence, normalise, and lead the diffusion of desirable, pro-environmental and pro-social behaviours - if conducive structures and factors are in place (Fell et al., 2009; Jackson, 2005; Kostova et al., 2008; Verplanken & Wood, 2006), and if pro-environmental and pro-social behaviours become the new, alternative hedonism (Soper, 2007; Soper & Thomas, 2006).

Indeed, Bendell and Kleanthous (2007) highlight shifts emerging from these changing social dynamics, and suggest quality and good service will be measured in the future by the brands that generate the most benefit to those involved in its production and trade, with consumers demanding genuine commitment to social and environmental performance. This requires firms to acknowledge the new audiences to which marketing needs to cater for, and the new metrics for monitoring progress (Bhattacharya & Korschun, 2008; Smith et al., 2010;), which will inevitably present considerable challenges for luxury fashion businesses, particularly in light of the institutional forces faced by this industry.

**Institutional Forces and the ‘harm chain’ within luxury fashion businesses**

Organisations may examine CSR issues from a corporate perspective, but they also need to consider how other stakeholders view those issues; external stakeholder groups may perceive the responsibilities of firms to be broader than those self-defined by the firm (Polonsky & Jevons, 2009). Some would suggest the global environmental and social harm caused by luxury fashion businesses is less catastrophic than that created by other sectors such as mining or oil, but this would be to overlook the complex processes and networks that are a feature of a number of luxury fashion products, particularly within the textile sector. For example, many fabrics (e.g. polyester, cotton) involve energy
intensive processing, require large amounts of crude oil, pesticides, and chemicals and produce hazardous waste by-products and emissions. Although there are many positives to arise from the business transactions that underpin luxury fashion, the harms which arise tend to be perceived as cancelled against, or subtracted from, goods produced (Gowri, 2004). As long as the industry tells itself that their actions bring about more good than harm, they are also less likely to reflect upon how they might work against those harms.

To date the marketing literature has predominantly focused upon the positive value created by luxury fashion brands for those firms who sell, and the customers who buy them (Fionda & Moore, 2009; Tynan, McKechnie & Chhuon, 2010; Wiedmann et al., 2009). Using the lens of institutional theory and Polonsky et al.’s (2003) and Previte and Fry’s (2006) ‘harm chain’ frameworks, it is possible to systematically consider those negative externalities associated with the marketing of luxury fashion brands, which are potentially damaging breaches of faith for the overall reputation of the industry and the firms within. Fashion brands experience a heightened sensitivity to reputational damage, since a greater proportion of their brand value is derived from empathy and trust (Bendell & Kleanthous, 2007; Fionda & Moore, 2009). Therefore, a research perspective that considers the harms (including any which are unintended) associated with the marketing of fashion brands is beneficial to our understanding of this field, since excellent social and environmental performance are now increasingly central to both global competitive advantage (Nidumolu, Prahalad, & Rangaswami, 2009) and a sustainable society (Thøgersen & Crompton, 2009). In the next section we explore some of the harms linked to the marketing activities of luxury fashion brands that arise during the pre-production, production, consumption and post-consumption stages, as well as the relevant institutional forces that shape those harms. They are illustrated in Figure 1 overleaf.
### Figure 1  
**The Extended Luxury Fashion Business ‘Harm Chain’**

<table>
<thead>
<tr>
<th>Institutional Forces (Facilitate harm as well as harm reduction)</th>
<th>Regulating processes</th>
<th>Production</th>
<th>Consumption</th>
<th>Habitualising Processes</th>
<th>Post-consumption</th>
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<td><strong>Pre-production</strong></td>
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<td><strong>Those regulating harm</strong></td>
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<td>-Governments seek jobs and income which take precedence over environmental and workers’ welfare concerns;</td>
<td>-Governments currently sustaining fragmented regulation;</td>
<td>-Consumers unintentionally buying products with dubious provenance;</td>
<td>-Aesthetic obsolescence/Rapid consumer disposal of unwanted fashion clothing;</td>
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<td>-Rogue governments using profits to fuel violence;</td>
<td>-Lack of organised response, authority, and punitive measures across borders;</td>
<td>-Consumers’ luxury-seeking behaviour;</td>
<td>-Conspicuous consumption creating social divisions.</td>
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<td>-Design courses failing to educate about social and environmental responsibility.</td>
<td>-Fashion houses’ designers and buyers, who do not have codes of conduct regarding the purchase of sustainable primary materials from responsible suppliers;</td>
<td>-Fashion magazines displaying undesirably thin models, and French Vogue painting white models black.</td>
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<td><strong>Those being harmed</strong></td>
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<td>-Communities around extraction and processing sites harmed by environmental damage or chemicals;</td>
<td>-Use of under-age workers; -Workers working excessively long hours under unsafe working conditions;</td>
<td>-Consumers aspiring to high priced goods beyond their means, which in turn fuels debt and excess credit;</td>
<td>-Consumers duped by fraudulent luxury brand internet sites;</td>
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<td>-Children via enforced labour during extraction; -Wildlife species killed for fine wool/fur/leather.</td>
<td>-Consumers, who have to cope with dissonance fuelled by fashion’s in-built obsolescence and discrimination;</td>
<td>-Consumers experience negative self-esteem from comparison with distorted body and social ideals;</td>
<td>-The environment is damaged due to waste created;</td>
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<td>-The natural environment, which must increasingly absorb the conspicuous amounts of waste generated by fashion disposability;</td>
<td>-Lack of representation fuels social discrimination against minorities, older people and the disabled;</td>
<td>-Increased crime fuelled by excluded individuals seeking ownership of desirable luxury brands.</td>
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<td>-Fashion houses’ buyers; whose competition for supply encourages pricing abuses by suppliers.</td>
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<td><strong>Those causing harm</strong></td>
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<td>-Suppliers with low levels of animal welfare standards; -Designers that promote the use of rare and exclusive materials; -Extraction and processing firms that generate pollution from raw materials and</td>
<td>-Manufacturing processes which create toxic waste; -Fashion businesses that encourage short life spans and in-built product obsolescence; -Advertising professionals and marketers fostering discrimination via low incidences of ethnically diverse models; -Fashion houses and retailers fostering exclusionary segmentation.</td>
<td>-Consumers unintentionally buying products with dubious provenance;</td>
<td>-Consumers’ luxury-seeking behaviour;</td>
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**Source:** Adapted from Polonsky et al. (2003), Previte and Fry (2006) and Grewal and Dharwadkar (2002)
Pre-production and production harms

Over the last two decades, the fashion industry has and continues to be subjected to intense regulatory interest. However, these political processes have overwhelmingly focused on protecting trade interests via trade quotas/import tariffs and subsidies rather than safeguarding the well-being of the workforce involved in the manufacturing of fashion garments. Social trends in ethical consumerism and corporate responsibility are presenting significant challenges to the organisation of global supply chains, but many organisations invariably continue to encompass exploitative business practices that cause harm to a number of stakeholders. Following Figure 1, these include animal cruelty derived from inhumane factory farming of animals for fur coats; environmental degradation and workers’ health damage resulting from the use of unregulated pesticides for cotton production; employee exploitation as a consequence of low wages, excess working hours (Blanchard, 2007; Bray, 2009; Hughes, 2001), and health and safety neglect in working conditions for apparel employees (Dickson, 2005; Klein, 2000).

While some brand owners distance themselves from responsibility for practices throughout their supply chain, many consumers do not make such a distinction. The role of clothing in a consumer’s life is not confined to functionality; individuals seek luxury fashion clothing as a means of gaining peer acceptance and demonstrating social standing (Murray, 2002), evidenced by the sign value demonstrated by successful brands such as Gucci and Chanel. Nowhere is this symbolism more prevalent than the designer houses’ use of fur and exotic leathers. Recent international catwalk collections from many designer fashion businesses (e.g. Gucci’s use of fox and badger fur, Yves Saint Laurent’s use of mink, Balenciaga and Alexander McQueen’s use of python skin) have helped fuel the re-emergence of the global fur and exotics market (Irving, 2008; Skov, 2005). These activities show no sign of abating as the ‘regulating’ processes concerning fur farms are largely absent in both the US and China, two of the leading producing countries of fashion clothing. Moreover, in spite of recent ‘regulating’ activities such as CITES which is an international agreement between 175 nations that works to protect endangered and threatened species (Skov, 2005); China continues to flout such
international agreements by permitting tiger farms. ‘Validating’ institutional forces such as The British Fur Trade Association (http://www.britishfur.co.uk) also cause harm here by appealing to fashion designers and supply chains to use real fur in their designs, arguing that it is more sustainable as most fake fur uses non-renewable, petroleum-based products in its manufacturing process. The ‘habitualised’ institutional process of fur retailing from high end retailers such as Saks, Bloomingdales and Harrods also show little sign of any progress in eradicating such practices. Given that a market for luxury fashion made from rare animal fur and skin continues to exist, we should also recognise the co-creation of harm played by consumers who themselves cause harm by encouraging irresponsible production through their consumption decisions (Previte & Fry, 2006). Although Smith et al. (2010) reason that consumers need to better understand the social and environmental impact of their purchase behaviour and choose responsible consumerism, they point out that marketers must also accept that responsible production delivers a paradox that can be challenging. It is important to acknowledge that competitive or regulatory pressure to increase CSR activity to reduce the harm that the industry’s production creates, may not always result in an immediate reward in the form of consumers’ purchase decisions.

Certainly, valuable lessons can be learnt from the strategies of the mass market fashion businesses during the late 1990s, whereby as a consequence of negative media exposure and NGO campaigns (Perry & Towers, 2009; Yu, 2008), many companies have been forced to reconsider and restructure their supply chains with respect to social and environmental issues (Iwanow, McEachern, & Jeffrey, 2005; Klein, 2000; Laudal, 2010; Perry & Towers, 2009; Shaw et al., 2006:). This has led to a ‘drastic decimation [of] domestic fashion manufacturing’ for many European countries, as production has delocalised to the Far East (de Brito, Carbone, & Blanquart, 2008; Fernie & Azuma, 2004, p.792), a trend that also has implications for haute couture fashion.

It is widely noted in studies of fashion purchase behaviour that the consumer’s personal fashion-garment wants and demands take precedence over ethical concerns, but due to a lack of
knowledge surrounding the production conditions where the majority of fashion garments are now manufactured, and the lack of readily available information on brand sourcing policies (Shaw et al., 2006), many consumers often feel unable to make ethical choices when it comes to clothing (Iwanow et al., 2005; Joergens, 2006; Radin & Calkins, 2006). One major ethical issue that many consumers across the fashion market spectrum are more aware of is sweatshop labour (de Brito et al., 2008; Dickson, 2005; Shaw et al., 2006; Tomolillo & Shaw, 2003). As discussed earlier, harm is derived from the consumption habits of consumers who buy goods manufactured under abusive conditions, and the producers who manufacture irresponsibly (Smith et al., 2010; Yu, 2008). The fashion sector’s response to the negative brand publicity that surrounds fashion businesses damaged by sweatshop scandals has generally been to isolate and condemn a single stakeholder (e.g. the factory owner) and revoke the contract (Dhanarajan, 2005; Iwanow et al., 2005; Yu, 2008). However, these strategies tend to fail both the employees, and the consumer (Harrison, 2009). As Figure 1 illustrates, businesses can create negative externalities as a consequence of their marketing activities (Polonsky et al., 2003). However, the full extent of the harm that is caused in luxury fashion supply chains is largely overlooked because the influence of other stakeholders (communities, governments, NGOs) is typically disregarded by focusing on the abuses that take place in the sweatshop itself.

Consumption harms

As illustrated in Figure 1, another major issue arising in the production and consumption stages of fashion is model size, and the societal impact this has had in terms of establishing beauty and aesthetic ideals both within the industry, and among consumers (Elliott, 1986). The trend for digital manipulation by those working in the mass market and luxury fashion industries (e.g. designers; magazine editors) of photographic images of women modelling fashion brands (e.g. British style magazine GQ’s digital slimming down of actress Kate Winslett’s photograph) has also come under criticism for the media deception, and the social harm it impacts upon public health (Reaves, Bush-
Hitchon, Park, & Yun, 2004). The dangers of overly thin models presented in fashion images, where underweight is considered the ‘norm’, suggests that this thin ideal contributes to the growing phenomenon of eating disorders among women (Andersen & DiDomenico, 1992; Wykes & Gunter, 2005). Indeed, previous studies have found that women cite the media as an important source of pressure to be thin (Levitt, 1997), while exposure to the thin ideal has been blamed for reducing body satisfaction, increasing self-consciousness, and reducing self-esteem (Reaves et al., 2004; Wykes & Gunter, 2005). Despite the above criticisms, no ‘regulating’ efforts have been implemented regarding this issue to date. Moreover, ‘validating’ processes such as the 2007 Model Health Inquiry launched by the British Fashion Council and The Council of Fashion Designers of America’s Health Initiative have both failed to set any firm industry guidelines about model size. However, the decision by designer Mark Fast to use a British size 12-14 model (considered the size of an ‘average’ woman) at London 2009 Fashion Week fuelled further media discussion on the subject of the inappropriate size prejudices that prevail within the mass market and luxury fashion industries, and the preference for ‘size zero’, unnaturally thin models. In response, British Vogue editor, Alexander Shulman, wrote to top designers in June 2009 asking for larger sized clothes for their fashion shoots because the situation had been reached where ‘sample sizes don’t comfortably fit even the established star models’ (Fisher, 2009, p.11). This was followed in September 2009 by the ‘All Walks beyond the Catwalk’ project, a photography exhibition aimed at celebrating individuality and diversity (Groskop, 2010). The aim was to change the perception of young designers toward age and weight, by working with them at early stages of their careers to introduce a shift in behaviour, and mirror a more realistic range of women than the fashion industry currently offers. Despite all of these industry efforts, little progress has been made in attempting to ‘habitualise’ the practice of using realistic model sizes with the industry generally considering such advice/suggestions as no more than bureaucratic interference.

Moreover, the fashion industry has for many years been accused of racial discrimination, stemming from its predominant use of Caucasian models in advertising campaigns, magazine
editorials, and on the catwalk. Individual marketers may sometimes overlook or downplay the status of particular racial groupings in advertisements; yet, recent times have seen growing interest in the extent to which, and in what way, individuals of different races are represented in advertising (Peterson, 2007). Consumer research has shown that consumers' evaluative beliefs about race impact people's attitudes toward products of varied ethnic origins or ethnic connotations (Ouellet, 2005), so racial representation in marketing communications matters. In October 2009, French Vogue featured images of Dutch model Lara Stone covered in brown make up in what was explained as an 'homage' to black people, and earlier that year L'Oreal was found guilty of racial discrimination for considering Black, Arab and Asian women 'unsuitable' to sell its shampoos. The relative low frequency of black models in commercials has been explained as advertisers' hesitancy to use black models due to unsubstantiated concerns about how white consumers may react to non-white models (Choi & Crandall, 2008). Yet, how black consumers may feel about the scant use of black models in marketing communications is overlooked. This is particularly so for high-value, luxury fashion products, in whose advertisements black models, as well as models of other ethnic backgrounds, are highly unlikely to appear (Bailey, 2006). Additionally, those working in the fashion industry cite the reluctance of magazines, modelling agencies, and fashion designers to use black models (Pool, 2007). Such behaviour and the harms it generates have implications for social responsibility as well as the effectiveness of marketing communication efforts. This is due to the substantial negative self-concept impacts that such representations can have within populations of diverse ethnic backgrounds across the world, as well as the significant buying power that exists within such communities, who are unlikely to purchase from luxury fashion businesses that fail to represent them in their advertising messages.

Both social expectancy theory (Jussim, 1990), which contends that people's expectations influence social reality and may moderately contribute to social problems such as inequalities and prejudice, and cultivation theory (Gerbner, 1994), which is concerned with the long-term effects of television viewing on various audiences' attitudes and behaviours, indicate that mass media contribute
to perceived expectations linked to events and people in society. Equally, exposure to advertisements in the media can exert an impact (negative or positive) upon an individual’s perceptions and attitudes towards their own and other ethnic groups (Borgerson & Schroeder, 2002; Peterson, 2007). While research (Jacobs & Baldasty, 2003; Merskin, 2002) suggests minorities are more frequently and favourably depicted than they were in the past, generally non-Caucasian ethnicities are under-represented in advertising. Whatever the reasons, critics argue that the fashion industry has become progressively closed to ethnic diversity through open discrimination that would be untenable in any other industry (Pilkington, 2007), while advertising stands accused of taking steps which ‘produce unfavourable cultural and social consequences for society at large and for minorities in particular’ (Peterson, 2007, p.200). Similar to the harms surrounding the aesthetics of model beauty, further institutional harm is caused by the fact that little ‘regulating’ activity is identified in relation to racial discrimination within the fashion industry. However, there is some evidence regarding positive ‘validating’ and ‘habitualising’ processes noted here, with a number of stakeholders calling for greater representation in fashion marketing. Trade associations, the media and other pressure groups for example are increasingly acting on behalf of stakeholder groups (Friedman & Miles, 2004), as illustrated by the campaign against race discrimination in the fashion industry launched in 2007 in New York by leading models, designers, and agencies, to put pressure on the industry to tackle the problem (Pilkington, 2007). The ‘Black but Invisible’ campaign launched by Mahogany Models Management (Europe’s largest modelling agency for models of colour) in 2008 also appealed to the industry to employ greater numbers of Black, Asian and Hispanic models, as positive attitudes towards advertising can lead towards favourable attitudes toward the brand in the long term, and ultimately, purchase.

Post-consumption harms

Advertising and marketing communications more generally have been critiqued by some as fostering excess, unnecessary consumption with pervasive societal and environmental costs (Hackley
& Kitchen, 1999; Schor, 1999, 2005), particularly in reference to the consumption and post-consumption stages of the fashion chain. For example, as cited in Figure 1, one of the side-effects of increasingly fast fashion cycles aimed at affordably emulating the elusive aesthetic ideals of Haute Couture is the progressive obsolescence this creates, and the problematic waste it generates (Claudio, 2010) through the promoted over-consumption and the consequent disposability of otherwise functional garments. In the UK context this represents £11.1bn of discarded clothing and accessories (approximately US$18bn) with only 16% ever recovered or recycled - the rest ends in landfill (Papworth, 2009; Siegle, 2009). Although Haute Couture garments and accessories are less likely to be thrown away given their collectability value, they are often worn only once and a considerable carbon footprint is associated with the delivery and customisation of such items to their end consumer. It is not uncommon for designers to fly individual dresses costing up to $100,000 by private jet to wealthy customers for personal fittings, alterations, and final delivery (Kinmoth, 2009). From a ‘regulating’ perspective, there are many positive, incremental examples of government agencies who have implemented regulatory processes to help govern and reduce textile waste (i.e including fashion garments). In the UK alone, there is the Waste Minimisation Act (1998), Environmental Protection Act (1990) and Controlled Waste Regulations (1992). However, fiscal cuts to the public purse could potentially cause harm to other businesses and consumers, as the UK government is currently exploring switching waste enforcement practices to be managed via a system of voluntary standards and accreditation. Similarly, Defra’s (2010) SCAP and the British Fashion Council’s sustainable catwalk show discussed earlier are two ‘validating’ examples of institutions attempting to trigger long-term change within the luxury fashion industry, but these nudge-type policies cause harm to our environment as they only help to bring about a tokenistic change in sustainable behaviour at best, with leading advisory bodies such as the Sustainable Development Council arguing that mandatory approaches have much more leverage in the marketplace.
Despite the harms identified above, we acknowledge that the luxury fashion industry does have particular strengths that can be called upon in order to trigger change and reposition itself as socially responsible rather than harmful. Using the lens of institutional theory, the next section outlines the ways in which institutional forces can help bring about this change.

**Discussion and solutions: Using institutional theory as a lens to develop positive luxury fashion**

As Figure 1 shows, fashion designers are integral, creative engines that drive the luxury fashion industry, and sustainability (here seen as encompassed by CSR) has also been identified as a key driver of innovation (Nidumolu et al., 2009, p.58) that yields both bottom-line and top-line returns, and potentially forces companies to ‘change the way they think about products, technologies, processes and business models’. We argue that treating sustainability as a corporate goal today will allow firms to ‘habitualise’ and develop long-term, core competencies that rivals will find difficult to emulate, and this is a path that any luxury fashion businesses could easily follow. In addition, a more sustainable and less ‘harmful’ supply chain could pay dividends in terms of raising business profile and building customer loyalty given consumers’ changing values towards ethical issues (Bellaiche et al., 2010; Bendell & Kleanthous, 2007; Reuters, 2009; The Co-operative Bank, 2010). A frequently cited limitation upon the growth of ethical and/or sustainable goods is the higher pricing associated with some ethical products such as Fairtrade or green products (Clarke, Barnett, Cloke, & Malpass, 2007; Peattie, 2001). However, as luxury fashion consumers are already willing to pay high prices, it is unlikely that any reasonable ‘eco’ or ‘social’ mark-up on their favourite luxury brands will act as a purchase dissuader. Furthermore, given the rigid quality controls under which high-end products are manufactured, ensuring the integrity of their products’ socially-responsible credentials may be more feasible compared to mass-produced labels such as Nike (Yu, 2008). This could mean that social and eco-commitments made by luxury fashion businesses may be among the most reliable in the global
marketplace, not least because they have so much to lose if they do not live up to their rhetoric (MacDonald, 2009).

As identified throughout the above analysis, some luxury fashion labels (e.g., Burberry, Vivienne Westwood) have responded positively to calls for greater environmental and social responsibility. They have recently launched eco-friendly products and acquired brands that position themselves on social and environmental platforms. French conglomerate LVMH (Moet Hennessy Louis Vuitton) bought a stake in Edun, the organic clothing firm founded by the band U2’s singer Bono and his wife Ali Hewson. Edun’s operations deliver CSR at the transformational level (Palazzo & Richter, 2005). Their manufacturing is based on fair trade principles, materials are ethically sourced, workers are paid a living wage, and the business model allows for sustainable development in the clothes’ country of origin. Edun’s approach is predicated on providing sufficient orders at decent prices to allow indigenous businesses to become viable (McLean, 2008). While these are welcome moves by such luxury fashion businesses, they carry significant risk if the additional brand is perceived as incoherent. When a brand’s narrative communicates corporate values that are contradictory to behaviour elsewhere within the organisation’s value chain, this inconsistency is likely to create a backlash among stakeholders (Palazzo & Basu, 2007; Smith et al., 2010). Therefore, rather than simply buying the veneer of CSR through the launch or purchase of ethical brands, companies should view these activities as an opportunity to learn from their operations and ‘habitualise’ those principles and practice throughout the organisation.

Thus, the reduction and regulation of harm (i.e., ‘regulating processes’ according to institutional theory) within the fashion industry requires what Smith et al. (2010, p.631) refer to as a ‘new institutional logic’ (see Friedland & Alford, 1991) that challenges accepted behaviour while suggesting alternative points of reference; this is in line with the institutional forces perspective reviewed above. The authors suggest this requires that efforts down the supply chain are linked to behavioural transformation up the supply chain. This is not meant to underplay the impacts caused by consumers
with their never-ending yearning to desire (Bauman, 2002), and attempts to symbolically ascertain their
distinction and identity through luxury fashion consumption (Fionda & Moore, 2009; Phau &
Prendergast, 2000; Vigneron & Johnson, 1999; Wiedmann et al., 2009). Indeed, as discussed above,
consumption issues may be just as harmful as the activities of firms. But if we consider the harm
caused by sweatshops, for example, a more favourable route to their eradication is to recognise the
‘validating’ networks of stakeholder relationships that exist, that is, what institutional theory would refer
to as networks of stakeholder relationships that can legitimatise and motivate change (Grewal &
Dharwadkar, 2002). The ‘multi-stakeholder approach’ (Hughes, 2001) can enable the identification of
such stakeholder relationships, as it proposes that the corporate sector, NGOs, trade unions, and
national government be brought together and analysed as a formal organisation to engender more
responsible business, which in turn engages those who create harm, those who are harmed, and those
who regulate harm (Polonsky et al., 2003). The ETI discussed earlier is one of the most prominent
multi-stakeholder organisations in Europe, made up of alliances between companies, trade unions and
voluntary organisations (Ethical Trading Initiative, 2010). Although the ETI has succeeded in getting
those who are members to commit to taking more responsibility for the welfare of workers in their
supply chains, the non-binding nature of such codes of conduct are somewhat limited as some
companies have breached ETI membership obligations. Despite fashion firms holding considerable
power to influence the living conditions and the lives of those who manufacture their products, to date
only Burberry and Jaeger/Aquascutum luxury fashion brands have signed up to the ETI. This
represents a missed opportunity for luxury fashion businesses

Therefore, in the context of luxury fashion, leveraging stakeholder relationships to facilitate
change for good might involve worker education, lobbying governments to raise legal working
conditions, or inspiring luxury customers to take an interest in, and influence the provenance of the
products they buy (Smith et al., 2010; Radin & Calkins, 2006). Figure 1 can assist in this process by
identifying where harms occur, and where the influence of luxury fashion brand owners will have most
effect on stakeholder relationships. With many firms operating on a global basis, the luxury fashion industry can contribute towards more responsible supply chains by developing sustainable sourcing policies; by ensuring apparel factories operate under fair working conditions; by investing in the education and development of the communities in which they manufacture their goods; by communicating these mechanisms in a transparent way to consumers; and by partnering with NGOs for long-term change (Defra, 2010; Hughes, 2001; Yu, 2008). A rationale for these recommendations as well as suggestions for implementation is now discussed in more detail.

Resource efficiency

An important message to embed in the minds of luxury fashion firms and consumers is that seeking more resource-efficient ways of meeting our needs and aspirations should not have to mean a reduction in wellbeing (Connolly & Prothero, 2003). Bendell and Kleanthous (2007) summarise what has been referred to as the ‘dematerialisation’ of the production-consumption system by processes that: enhance wellbeing for the greatest majority; respect resource and livelihood of local communities; reduce material use for the same amount of utility/wellbeing; recycle resources from cradle to grave; and are non-toxic, ecologically restorative, and accountable to those most affected by them. Luxury fashion businesses influence consumer and producer behaviour through product design and example-setting that ripples down to mainstream fashion. Taking on board the customised approach of fashion designers, the emerging trend towards ‘considerate product design’ in fashion and textiles seeks to maximise sustainability benefits within the framework of the current fashion industry by changing the behaviour of both customers and producers to reduce environmental impact (Black et al., 2009). The intention is that by developing personalised fashion through the use of rapid prototyping techniques, bespoke marketing and innovative design, the amount of overall waste clothing generated will be reduced (Black et al., 2009). This can reduce the direct impacts of production and improve efficiency, while example-setting influences consumer behaviour by such means as advertising, the sponsorship
of role models, and the provision of user instructions. If international luxury fashion firms make greater investment to improve the sustainability of these aspects of their marketing process, they can potentially communicate and champion sustainable and responsible lifestyles to their consumers (Thøgersen & Crompton, 2009). This will involve a process of internal change and, for some, a reconfiguration of what they believe their responsibilities to be, while also fostering sustainable business practices throughout the organisation, and its global supply chain.

There are commercial as well as broader societal imperatives driving the rationality of more responsible luxury fashion activities. It is not just a case of ‘doing things right’ for strategic reasons such as a better public image or regulation avoidance (Scherer & Palazzo, 2007), but moving towards ‘doing the right thing’, even when it may appear to have little to do with what companies consider to be their core business or responsibility (Laufer, 2003). Operational efficiencies can be gained from corporate social responsibility, namely enhanced employee resources and motivation, greater innovation, and higher productivity (Nidumolu et al., 2009). Local communities are more likely to welcome and accommodate responsible organisations; connections with regulators, voluntary organisations, and non-governmental networks will be enhanced, and brand trust and reputation will be protected (Smith et al., 2010). More sustainable and secure raw materials, better motivated suppliers, and more sustainable communities will also develop from greater social responsibility (Bendell & Kleanthous, 2007; Donaldson & Preston, 1995; Scherer & Palazzo, 2007). Finally, there is increased evidence of the growing importance to the investment community of ethical performance on the part of public companies (Hillman & Keim, 2001; Hughes, 2005). While all the reasons outlined here also apply to other sectors, they are just as relevant to the luxury fashion industry, particularly given the rise in the emotional and financial value of brands, and their sensitivity to cultural shifts.

Connecting with communities
It is acknowledged that the geographical broadening of the luxury fashion market means that companies are increasingly selling in markets that experience considerable wealth disparities, and where the price of some fashion items are regarded as disproportionate to average income levels in those countries. According to Palazzo and Richter (2005), for those industries that display controversial aspects, harming the common good is probably more significant than the benefit to some consumers of the industry’s products. A number of incidents have recently highlighted these inherent contradictions within the fashion industry. For example, Indian Vogue recently provoked criticism by using peasants to model luxury fashion clothing (Timms, 2008). Other (albeit rare) examples of ‘regulating’ processes are also identified in developing markets. Here, some politicians in developing markets have started to challenge the values of the fashion industry: India has levied a 114% tax on luxury goods (including luxury fashion), alongside government calls to eschew conspicuous consumption (Bendell & Kleanthous, 2007; Luxury Goods in China, 2007). While arguments about wealth disparities are not new, engendering good relationships with developing markets such as China and India is considered important to luxury fashion businesses, not just because they represent important consumer markets for the future. These countries are key manufacturing bases for the fashion industry, but ones where the rhetoric of responsibility commitments meets reality, and the limitations of the current CSR model for change have been exposed (Dhanarajan, 2005; Yu, 2008). It is true that in the past the luxury fashion industry was allowed some latitude when it demonstrated insensitivity towards political and social issues. As an industry it was considered one that should not be taken too seriously, but such nonchalance can no longer be overlooked in the current climate where corporate responsibility is an important strategy for all companies that want long-term success. One such example is prominent couture designer John Galliano, who was recently fired by Dior for making anti-Semitic comments earlier in 2011 (BBC, 2011). The shallowness that has sometimes been an intrinsic feature of this industry is less tenable today, and the credibility of luxury fashion products will become increasingly linked to their ability to advance well being rather than harm (Charles, 2010; Nair, 2008).
Decisions made by senior figures in the luxury fashion industry to act more responsibly have the potential to be ‘habitualised’ and potentially transformational if they are willing to change existing practices in order to reduce harm both at local and global levels. Their marketing decisions are socially connected to the problems of their business partners, and they have a role to play in providing solutions to issues such as workplace abuse, environmental pollution and depletion, racial discrimination and body dissatisfaction. Smith et al. (2010) argue that marketers have a moral duty to “co-create the responsible consumer” because the decisions that they make “significantly influence” the decisions consumers make. Thus, for example, if others took the lead of editors such as Vogue’s Shulman, or designers like Mark Fast and insisted on images of women that were representative and inclusive, it might spur the momentum towards reducing the harm that traditional aspirational, yet discriminative images create.

A further viable pathway for luxury fashion businesses to deflect criticism and promote brands would be to generate greater value for those involved or affected by their manufacture and supply, and to promote sustainable techniques and socially-responsible processes throughout the industry. More relevant brand platforms could invoke the heritage of their provenance, and extend their passion for excellence and quality to issues that affect the wider community. This new luxury fashion could replace self-indulgence with a culture of ‘connected responsibility’ (Phipps, 2008, p.4) that aligns the values of the individual with those of their social and natural environment.

Critics have argued that luxury fashion businesses fail to match the environmental and social efforts of companies in most other consumer sectors, both in the quality of their policies, and in operations (Bendell & Kleanthous, 2007). The depth of shift in societal values is beginning to expose the gaps in the industry’s collective response to the responsible business agenda. This opens up opportunities for luxury fashion businesses to pressure the industry across the supply chain to improve and broaden standards.
Indispensable luxury fashion?

Despite the many harms discussed above, luxury fashion businesses have a significant contribution as a positive role model for sustainable consumption due to the longevity inherent in certain brands. We do recognise that, in encouraging consumers to buy second-hand luxury clothing, new markets and their related, alternative retailing spaces are being created, which in turn generate their own set of idiosyncratic impacts. However, ‘the thing about a Hermés bag is that it will last forever – it’s the Land Rover of the bag world’ (Blanchard, 2007). In contrast, cheap fashion retailers such as Primark have been criticised for their celebration of ‘throwaway fashion’ or ‘speed chic,’ fostering a relentless appetite for new clothes and over-consumption, while ignoring the environmental damage this creates (Bray, 2009; Lee, 2003; Shaw et al., 2006). Thus, to some extent luxury fashion brands represent the antithesis to disposable fashion since many customers cherish their heritage and quality, and the after sales service that extends purchase life. For example, UK Savile Row tailor Gieves & Hawkes consider their return and repair services as an essential element of their customer retention, while Louis Vuitton has five repair centres in Japan to ensure damaged products continue to be used. Unlike the Haute Couture practices mentioned above, these are local repair centres that extend the longevity of fashion items, thus reducing the harmful waste that stems from premature obsolescence. As evident from the sustainable progress made in the EU white goods market as a result of the WEE Directive introduced in 2005, organisations are more likely to commit to waste reduction policies in the face of ‘regulating’ forces (Campbell, 2007). Consequently, rather than governments off-loading regulatory responsibilities solely to NGOs and independent accreditation bodies, it is recommended that policymakers implement a strong state policy regarding the reduction of, e.g., waste and emissions within the textile sector, rather than just the voluntary, ‘nudge’ type policies favoured by the likes of Defra (see details of Defra’s SCAP discussed in the introduction).

Luxury fashion brands also possess recycling currency due to their desirability in the second-hand market. A thriving vintage market has grown up around the purchase of designer products in
alternative spaces of consumption such as eBay and designated outlets (e.g. www.oxfam.org.uk/Vintage), reflecting an agency-orientated cultural reading ascribed to affluent populations that ‘views the engagement in such spaces as about the search for fun, sociality, distinction, [and] discernment’ (Williams & Paddock, 2003, p.137). While the longevity and recycling currency of luxury fashion goes some way to position it as a more responsible purchase for consumers, there still remain considerable harms resulting from the weakly regulated, complex, multinational supply chain processes that deliver these products to the market, as discussed earlier. Without ‘validating’ action by luxury fashion manufacturers to address those downstream harms, they will detract from the positive value generated upstream.

Historically, upmarket fashion businesses have played an important role in safeguarding craftsmanship, and traditional skills in countries such as Italy, and Scotland. Taking an artisanal approach to design, the bespoke skills that create such products help to preserve traditional craftsmanship in fields such as tailoring, and jewellery design. Source materials are often supportive of heritage crafts; for example, Vivienne Westwood champions Harris Tweed in her designs. Socially and environmentally-responsible sourcing by the luxury industry has to some extent safeguarded the cultural heritage of many local and family firms, which have almost been destroyed by the demands of mass-market production processes. By sourcing locally, luxury clothing fashion businesses such as Gieves & Hawkes, who work with English cloth mills and their own home-based cutters and tailors, reduce their carbon footprint. As well as contributing to the preservation of cultural heritage in traditional manufacturing bases, luxury fashion businesses have the capacity to provide a lifeline to nascent industries in developing countries who cannot compete with high volume, low cost manufacturing. The United Nations has been assisting countries such as Ethiopia and Mozambique to set up fashion businesses built on centuries-old skills in weaving, beading, and embroidery, to target what have been termed the ‘new authentics’: affluent individuals who are demonstrating a greater appreciation of fine craftsmanship and artisan skills (De Beers, 2008), and who seek products that reflect their own
personal styles and moral convictions (Domeisen, 2006). Luxury fashion businesses need to understand heritage as an evolving rather than static phenomenon, and work at contemporary heritage creation by shaping the future proactively (Bendell & Kleanthous, 2007).

However, despite these efforts, most luxury fashion companies are failing to embrace social and environmental challenges as part of their core strategy in a broader, systemic way, settling for fragmented gestures. The tendency towards ‘glam philanthropy’ (i.e. short term, high profile projects involving celebrities), and a failure to adequately report on environmental, social, and governance performance, suggests that many luxury fashion labels are only superficially committed to a responsibility agenda. Tom Ford of Gucci argued that this has created ‘a need to replace hollow with deep’ (Phipps, 2008, p.2), rather than treating ecology and social responsibility as style attributes to the brands themselves.

One starting point to help achieve a more sustainable luxury fashion industry could be via a combination of complementary regulatory policies and collective ‘validating’ efforts from trade associations such as the Ethical Fashion Forum discussed earlier. Independent accreditation bodies such as the ETI could also play a significant role here by stipulating increased information disclosure via the production of corporate social responsibility reports by industry players. A range of guidelines for companies now exist to help implement such processes, and examples include AccountAbility’s AA1000 standards, the Global Reporting Initiative, and the ETI (Berry & McEachern, 2005). The industry could look to exemplars of good practice in other, more progressive industries (e.g., the global mining industry), and create their own standards through collaborative agreements. Moreover, as increasing numbers of luxury fashion businesses conform to normative pressures in order to remain legitimate in the eyes of its stakeholders (DiMaggio & Powell, 1983), there is a greater likelihood of ‘habitualising’ occurring throughout the marketplace. At the moment, however, the lack of transparency and disclosure by luxury fashion businesses makes it difficult for consumers, investors, activists, and policy makers to assess who the ethical and unethical brands really are. Further research into this area,
invoking our extended ‘harm chain’ (Figure 1) as a tool of systematic analysis, may prove revealing. This, in turn, would open up the opportunity for industry-wide, standardised self-regulation and choice-editing initiatives (Mayo & Fielder, 2006) aimed at improving the negative impacts of the industry as a whole. This could be implemented by a self-regulating body collaboratively supported and funded by the entire luxury fashion industry. Without such external third party monitoring and verification of the fashion industry’s actions, it would prove difficult to differentiate between ‘genuine efforts and CSR rhetoric’ (Scherer & Palazzo, 2007, p.1114). Such a self-regulating body could engage the various luxury fashion market players in a discussion about the magnitude of harms being caused in different stages of the extended harm chain, about which harms should be tackled first, and about the institutional forces facilitating and hindering their ability to implement positive change. There is also a role for those companies who are more advanced in their reporting practices to ‘mentor’ others in the industry through stronger leadership, co-operation, and greater homogeneity in social and environmental disclosure (Jenkins & Yakovleva, 2006).

To regard social responsibility merely as a promotional or instrumental exercise restricts luxury fashion brands to a messaging model driven by media campaigns, as opposed to a responsibility-oriented, value-based model in which the brand becomes a shared mission between company and customer, across multiple levels of interaction (Palazzo & Richter, 2005; Phipps, 2008; Smith et al., 2010). In order for fashion businesses to sustain their success through ‘deep’ CSR, they will have to align their notion of value not just to that held by their consumers, but to a wider sense of contributing to the common good (Palazzo & Richter, 2005).

Conclusion

This paper provides a persuasive case as to why luxury fashion businesses can no longer afford to ignore the importance of corporate socially responsible actions in the current marketplace. Harnessing institutional theory and both ‘harm chain’ frameworks (Polonsky et al., 2003; Previte & Fry,
2006) this paper analyses the potential for value co-creation as well as harmful outcomes linked to fashion marketing activities, and seeks to identify how those harms might be addressed. In so doing, the authors have gone some way to address the knowledge gap in relation to negative and positive value co-creation (Figure 1), broadened the debate around CSR by reconfiguring research into fashion products and considering CSR in the context of the marketing of luxury fashion brands. We also reveal areas where additional research is necessary to scrutinise how these complex harm networks operate within and across the fashion industry, and to examine the inter-relationships across the different stages of the ‘harm chain’. More importantly, this paper’s analysis has shown that, in the fashion industry, value can be conceptualised not only in terms of the positive value generated throughout value chains, but also in terms of the harms that are co-created by stakeholders at different stages of the fashion supply chain. In this way, social and environmental responsibility becomes an intrinsic part of a value-based model shared by the company, the customer and other stakeholder groups, across multiple points of interaction (Smith et al., 2010; Phipps, 2008).

In light of the increasing ethical scrutiny of fashion products among affluent consumers, and the potential threat to corporate brand value in the event of negative media exposure relating to the harms discussed above, the paper urges luxury fashion businesses to embed social and environmental responsibilities within their core business, adopting a transformational approach to CSR that transcends self-interest and ‘business as usual’ (Palazzo & Richter, 2005). While we recognise that such a transformation can only be achieved by committing resources over a continued period of time, the above discussion and recommendations to the industry propose that this transformation will involve many other challenges, not least some of the inherent contradictions that arise when trying to juxtapose fashion onto the same value platform as ‘ecology’ and ‘morality’ (Phipps, 2008). However, if luxury fashion businesses do not take the transition from glamour to responsibility seriously, they face a threat from those who successfully synthesise social responsibility and fashion, and make old style excess irrelevant and redundant.
References


